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DEPARTMENT OF HOMELAND SECURITY

Federal Emergency Management Agency

[Docket ID FEMA-2012-0012]

National Flood Insurance Program Programmatic Environmental Impact Statement

AGENCY: Federal Emergency Management Agency, DHS.

ACTION: Notice of Intent to prepare an Environmental Impact Statement.

SUMMARY: The Federal Emergency Management Agency intends to prepare an Environmental Impact Statement evaluating the impacts on the quality the human environment of the National Flood Insurance Program as it is currently implemented and of potential future changes to the Program.

DATES: Comments must be submitted by [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Comments must be identified by Docket ID FEMA-2012-0012 and may be submitted by one of the following methods:

Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments. Please note that this notice of intent is not a rulemaking and that the Federal Rulemaking Portal is being utilized only as a mechanism for receiving comments.

Mail: Regulatory Affairs Legal Division, Office of Chief Counsel, Federal Emergency Management Agency, Room 835, 500 C Street, SW., Washington, DC 20472-3100.

FOR FURTHER INFORMATION CONTACT: Emily Blanton, Federal Emergency Management Agency, Office of Environmental Planning and Historic Preservation, 1800 South Bell Street, 7th Floor, Arlington, VA 20598-3020. Phone: (202) 646-2585. Fax: (202) 646-4033.

SUPPLEMENTARY INFORMATION:

Section 102(2)(C) of the National Environmental Policy Act of 1969 (NEPA), the Council on Environmental Quality (CEQ) regulations implementing NEPA, and the Federal Emergency Management Agency's (FEMA's) Environmental Consideration regulations require preparation of an Environmental Impact Statement (EIS) for major Federal actions that would have significant impacts to the quality of the human environment. FEMA is undertaking an EIS of the National Flood Insurance Program (NFIP) to consider new information relating to the environmental impacts of the NFIP, to update the 1976 EIS on the NFIP, and to consider potential changes to the program's implementation. The CEQ regulations at 40 CFR 1501.7 and 40 CFR 1508.22 require the issuance of a notice of intent to prepare an EIS to initiate the scoping process. Scoping is an early and open process that assists the Federal action agency in determining the scope of issues to be addressed and for identifying significant issues related to a proposed action.

The U.S. Congress established the NFIP with the passage of the National Flood Insurance Act of 1968. The NFIP is a Federal program for property owners in NFIP participating communities to purchase insurance as a protection against flood losses in exchange for State and community adoption and implementation of land use criteria that reduce future flood damages. Participation in the NFIP is based on an agreement

between communities and the Federal Government. If a community adopts and enforces a FEMA approved floodplain management ordinance to reduce future flood risk to new construction in regulated floodplains, the Federal Government will make flood insurance available to individuals within the community as financial protection against flood losses. This insurance is designed to provide a financial alternative and to reduce the escalating costs of Federal disaster assistance for flood damaged buildings and their contents. The costs associated with flood damage are reduced by nearly \$1.7 billion a year through communities implementing sound floodplain management requirements and property owners purchasing flood insurance. Additionally, buildings constructed in compliance with NFIP building standards suffer approximately 80 percent less damage annually than those not built to NFIP standards.

The Federal Insurance and Mitigation Administration (FIMA), a part of FEMA, manages the NFIP. The three components of the NFIP are Flood Insurance, Floodplain Management, and Flood Hazard Mapping. More than 21,000 communities across the United States and its territories participate in the NFIP by adopting and enforcing floodplain management ordinances to reduce future flood damages.

In addition to providing flood insurance and reducing flood damages through floodplain management regulations, the NFIP identifies and maps the Nation's regulated floodplains. Mapping flood hazards creates a broad-based awareness of flood hazards and provides data needed for floodplain management programs and to actuarially rate new construction for flood insurance.

FEMA has led various efforts to identify areas for improvement within the NFIP. In 2006, FEMA released an evaluation of the program across five major areas: actuarial soundness and the cost of flooding, compliance with NFIP floodplain management

requirements, building standards and identifying flood risks, insurance policy sales and mandatory purchase requirement, and environmental and development impacts of the NFIP. The evaluation can be accessed at

<http://www.fema.gov/business/nfip/nfipeval.shtm>.

More recently FEMA initiated an open and public process to modify the NFIP which has led to the identification of possible program changes. Many of these changes would also account for environmental planning and historic preservation considerations in the administration of the program, including but not limited to impacts on endangered and threatened species and critical habitat. This effort will result in a comprehensive series of policy recommendations designed to transition the NFIP toward a more resilient, sustainable, and comprehensive approach to flood risk management. Information about this effort can be found at http://www.fema.gov/business/nfip/nfip_reform.shtm.

FEMA has developed a Purpose and Need statement for evaluating NFIP proposed action and alternatives. The Purpose and Need statement discusses the need for a National Flood Insurance Program and the purpose laid out by Congress. It also establishes the need to account for Constitutional considerations, such as due process and preservation of States' rights, and consideration of national policies such as those established by NEPA, the National Historic Preservation Act, the Endangered Species Act, Executive Order 11988 – Floodplain Management, and Executive Order 12898 – Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations. FEMA has developed five alternatives for its consideration. In addition, FEMA has preliminarily identified nine broad areas for evaluation of potential for effect on the human environment that will be evaluated during this process. These

documents are available in this Docket for review and comment. FEMA proposes to evaluate the following proposed action and alternatives in this EIS:

- (1) Modify the NFIP based upon changes identified through the evaluation process to enhance floodplain management standards including provisions to address endangered species and habitat concerns. This is FEMA's proposed action.
- (2) Taking no action, which would result in the continued administration and implementation of the NFIP as it stands today.
- (3) Discontinue the NFIP, recognizing that only Congress can take this action.
- (4) Request legislative authority to remove existing subsidies and cross subsidies for flood insurance policies.
- (5) Modify the NFIP based upon changes identified through the evaluation process to enhance floodplain management standards including provisions to address endangered species and habitat concerns and request legislative authority to remove existing subsidies and cross subsidies for flood insurance policies.

This notice and public comment request initiates the public scoping process for this action. Public comments submitted on these documents will become part of the scoping record. FEMA also intends to initiate discussions with other Federal agencies on the scope of this effort and identify cooperating agencies interested in participating as such in this process.

At this time FEMA does not plan to conduct public scoping meetings given the amount of public input FEMA has already received during the NFIP Reform process.

The evaluation process included one scoping meeting with key stakeholders in November 2009. A summary of the information gathered (Phase I Report) can be found at http://www.fema.gov/business/nfip/nfip_reform.shtm#3. The Phase I Report is available in this Docket for inspection. In December 2010, FEMA conducted two public meetings and opened a public comment period on four alternatives for NFIP Reform. See 75 FR 69096, Nov. 10, 2010. Comments received can be viewed at <http://www.regulations.gov/> under Docket ID FEMA-2010-0065. These comments will be considered part of the scoping process for this EIS.

Authority: National Environmental Policy Act (NEPA), as amended, 42 U.S.C. 4331 et seq.; 40 CFR part 1500; 44 CFR part 10.

W. Craig Fugate,
Administrator,
Federal Emergency Management Agency.

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